[Shri Jaswant Singh]

Indeed, the hon. Minister of Defence himself said that he would come forward. The inquiry was ordered sometime back, if I am not mistaken, in February. What is holding the Government up, unless it has got something to hide? And if it has got something to hide, then it should come forward and say, we are hiding it. But this kind of submarining of an issue, we certainly cannot permit and I voice a strong protest and join my friend, Shri Dipen Ghosh.

THE REGIONAL RURAL BANKS (AMENDMENT) BILL, 1987—Contd.

THE DEPUTY CHAIRMAN. The discussion on the Regional Rural Banks (Amendment) Bill, 1987 was over. The Minister will reply now.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Madam Deputy Chairman, I am grateful to the hon. Members of this House for taking part in this debate. Twelve hon. Members have taken part in this discussion They have given valuable suggestions. I have to refer to some of the names of the hon. Members whose suggestions were very effective namely Shri Nirmal Chatterjee, Shri Mirza Irshadbaig, Shrimati Sudha Vijay Joshi. Shri Suresh Pachouri, Shri Rameshwar Thakur, Shri Veershetty Moglappa Kushnoor and others When they presented their suggestions, it is very clear from their contribution that they have studied the Regional Rural Banks' functioning and they wanted to help the Government in solving the problem. Madam, in the year 1969, on 19th July, banks were nationalised by the then Government, headed by late Shrimati Indiraji. The main objective of nationalisation was to give economic strength to the weaker sections thereby strengthening the economic area. Even though banks were nationalised about 18 years ago, unfortunately, the attitude of the bankers who were working in the banking sector was not for the weaker sections, particularly for the people who are living interior villages and in tribal areas. In fact, Parliament and people outside Parliament represented to the Government that the Government should come forward to see that the weaker sections and the rural people are given adequate economic strength and that the bankers cater to the needs of the targeted group. The then Government realised the situation and in the year 1976 an Act was passed in Parliament to give economic strength to the people who were living in rural areas, particularly to the people living below the poverty line. Madam, the approach earlier, prior to the passing of the Act, was that if the banking sector was to go to the rural people, particularly the weaker sections, it would not be viable for the commercial banks, that the economic position of the banks, especially, would collapse and that the system would collapse. That was the thinking prior to the passing of this Regional Rural Banks Act. After the passing of the Act, within a short span of twelve years, Madam, we have established 196 Regional Rural Banks covering 357 districts in 23 States. We have mobilised Rs. 1736 crores from the rural people and we have given loans to the extent of Rs. 1846 crores. The objective of the hon Members, while speaking in this House and outside this House, is that we should cater more to the weaker section, the rural people I fully share the concern of the hon Members The approach of the Government and the banking sector should be to cater to the targeted group Here, the hon. Members—particularly Mr. Nirmal Chatterjee—made a point that the commercial banks' rural branches should be merged with the Regional Rural Banks and made a strong plea for that. Madam, there are 53,566 branches and out of them, 29,920 odd branches are in rural areas, including the Regional Rural Banks Out of these 29,920 odd branches in rural areas,about 11,918 branches belong to the Regional Banks. And what is the contribution of the Regional Rural Banks and the commercial banks? In rural areas a sum of Rs 9386 cores was flown to the rural people, including the contribution that has been made by the Regional Rural Banks. Out

of Rs. 9386 crores Rs. 1528 crores has come from the Regional Rural Banks. That means, apart from Rs 1528 crores coming from the Regional Rural Banks, Rs. 7858 crores has come from commercial banks. The objective of the Regional Rural Banks is to cater to the weaker sections, to those whose income does not go beyond Rs. 6500 per annum This is the targeted group to which the Regional Rural Banks should cater. But there are other small-scale sectors also, industries coming up in rural areas, cottage industries, even for tractors in rural areas—commercial banks have to cater to these other sectors. So, as I said, a sum of Rs 9386 crores has gone to the rural sector and out of this Rs. 1528 crores has come from Regional Rural Banks. So the functioning of commercial banks is quite different. They are catering to the other sector also whereas the Regional Rural Banks are catering to a particular sector. So both the commercial banks and the Regional Rural Banks are functioning side by side in order to cater to the needs of the rural people. That is why I humbly submit that I do not share the view of Shri Nirmal Chatterjee. And when he makes the point that commercial rural banks should be merged with the Regional Rural Banks, I respectfully submit that it is not possible for the Government to go in that line and we do not agree with his views. Then he said the credit deficit ratio of the rural areas is declining. Yes, it is declining, not only of the rural areas but of the entire country. It is not because of any other reason but for the reason that we have increased the statutory liquidation ratio—SLR—to 37 5 per cent and we have increased the cash reserve ratio—CRR—to 10 per cent and also increased the small deficit credit to 10 per cent. Out of 100 rupees 57 1|2 rupees are going for these reserves So we are left with only 42 1|2 rupees. The credit deficit ratio in the country should be 42 .5 whereas in the rural areas the credit deficit ratio is 60.5 as against an all India credit deficit ratio of about 61. So, the difference is a marginal one; it is a negligible one. But we are catering to the requirements of the rural areas also from other sources like NABARD, sponsored banks and also from the Reserve Bank of India. The point that the honourable Member, Shri Nirmal Chatterjee, has made is that the credit deficit ratio is declining. It is declining for a particular reason. So far as Regional Rural Banks' SLR is concerned, it is not 37.5; it is only 25 per cent and CRR is 3 per cent. That means out of Rs. 100, 25+3 is going for reserves and then we are left with the remaining portion. If 28 per cent or Rs. 28 has gone means, the remaining is 72 per cent or Rs. 72. Now, what is the credit-deposit ratio of the Regional Rural Banks? It is 104 per cent and not 72 per cent. So, under these circumstances, it will be clear that we are not neglecting the rural areas. For the benefit of this House, I would like to make one point here. Honourable Members from this side and from that side made a very pertinent point that we should go to those places particularly where the Scheduled Caste and Scheduled Tribe people are living, that is, those areas which are called the tribal areas and interior places What we have done is that in the Tribal Sub-Plan areas, which is the concern of the honourable Members, and the interior areas and areas where the Scheduled Caste and the Scheduled Tribe people are living, out of 96 districts, we have covered 83 districts already and, out of 115 districts in the Tribal Sub-Plan areas, we have covered 97 district under the Regional Rural Banks. I fully agree with the honourable Members when they say that we should pay more attention to these areas. I would like to assure the honourable Members that we will examine each area and we will go by that and see what improvement can be made in these areas. But this does not mean that we have not done anything. We have done substantial work in these areas.

Some honourable Members asked: "Why not one Regional Rural Bank for one district?". Here also I do not agree with the honourable Member. Shri Nirmal Chatterjee, because there are districts in the country where there are only two blocks and there are districts in the country where there are 51 blocks So, if you are going to give one Regional Rural Bank for one district where there

[Shri Janardhan Poojari]

are only two blocks, it may not be viable. We have, therefore, to examine each case. We are having 196 Regional Rural Banks covering 356 districts in 23 States. This is the position now.

An honourable Member asked why we are not giving the lead responsibility to the Regional Rural Banks. Here also, Madam, I woud like to say that the credit plans, action plans, etc. are formulated for the entire district. Now we have to cater to the needs of all the sectors—the industrial sector in the backward areas, cottage industry sector, agriculutrial sector and the weaker sections. When Regional Rural Banks are catering only to the targeted groups, as stated by the honourable Member, we have to take into consideration the entire district's Plan. So, if you have to entrust this lead work to the Regional Rural Banks, it cannot be done at all because it is not practicable as the area will be larger. So, it is only the commercial banks which can take care of this.

Some honourable Members made the point, particularly Mr. Kushnoor, about the losses incurred by the Regional Rural Banks. He made a very effective point saying that some of these Banks are incurring losses. Forty-six Regional Rural Banks have made a profit of Rs. 4.65 crores and 148 Regional Rural Banks have incurred losses to the extent of Rs. 32.46 crores The cumulative loss of all Regional Rural Banks is Rs 89.63 crores. As I said, the objective of the Regional Rural Bank is to cater to the needs of the weaker sectons, and they are located in the interior places, tribal places, and even they are giving loans to the weaker sections at concessional rates of interest. Not only that At some places even the infrastructure is very weak. In these circumstances they have to work. In order to cater to the needs of the weaker sections, the Government of India headed by late Indiraji gave this low-cost structure to the people, saying that otherwise if you go in for commercial rural banks then the cost will be much more. For the hon. Members' information, I can tell you that the cost of the Regional Rural Bank and the cost of commercial rural bank is quite different; the function is quite different. The Regional Rural Bank has to cater to the needs of the weaker sections. They have to identify the beneficiary. At the time of identification he should not be a man of means. He has to get the loan And out of this loan he has to generate an income. Out of that income he has to feed his family and then he has to pay his instalments So the processing and sanctioning of the loan work is like other commercial banks, whereas other commercial banks have to process the projects. They have to look into all aspects of the project where the projects are situated in the rural areas.

Now, Sir, the hon. Members have made a point, and I share their concern also, that the salaries and other emoluments of the employees of the Regional Rural Banks should be at par with those of State Government employees. Sir I just want to make this point here. We are catering to the needs of weaker sections. And it is a low-cost structure. As I have said, out of 194 Regional Rural Banks, 148 are incurring losses. So, taking the situation here now what is our concern? So at the time of enacting the law, and when it was passed by Parliament, it was discussed thoroughly here. There was a special provision that since it is a low-cost structure, their salaries and other emoluments should be at part with the State Government employees. Sir, here even though I am for giving more to the employees, the situation, the position, does not permit us. Further, I may submit that some hon Members from the other side and this side made a point that they are also doing the same type of work as commercial banks are doing. They asked Mr Poojari, why are you discriminating? Sir, I have made a point here. It is at par with the State Government employees. Fifteen per cent of the share capital is coming from the State Government. Sir, the same type of work which is done by the Regional Rural Banks is done by the cooperative societies and co-operative banks And these cooperative societies and cooperative banks are looked after by State Governments. In some of the cooperative societies and in some of

the cooperative banks the salaries and emluments are less than what was being paid to the State Government employees So even the State Governments may find it very difficult to meet the needs of these employees. So I said that we are not in a position to go in a big way. I am announcing this fact In order to go into the salary and other conditions we have set up the National Industrial Tribunal a few days back. They are going to look into all these issues. Madam, the hon. Members have made another point stating that the representation is not given to the State Governments so far as the non-officials are concerned I understand the point made by them. Earlier, the non-official was one, R B.I one and official one. They were appointed by the Government of India Now the change has been made. Now two non-officials will be appointed by the Central Government We have given up one. Earlier, the position was: officers:2, non-officials 1 Now the position has been· non-officials 2 and officials 2. Officials will be one from NABARD and one from R.B I The State Government has been given two positions. They are officials That is the present position.

The hon Members have stated that we have to give representation to the rural people. Some Members have stated that a representative from Zila Parishad or from Panchayat should be taken There is a point We have said that two non-officials will be appointed by the Central Government While doing so, we will keep the suggestions made by the hon. Members in view and we will give representation to the people who are having experience of rural areas or who have come from the rural areas. Here the representation is being given to a person who is coming from that particular district If the Regional Rural Bank is for 'A' region, the non-official from 'A' district will be appointed. The hon. Members have made a point stating that it should be given to the State Government So far as the appointment of non-officials is concerned, we have given that role to the Central Government. A point has been made that representation should be given to the village people, to the rural people or to persons who are looking after the interests of the rural folk. I agree to it. We will look after that It does not matter whether the appointing authority is the State Government or the Central Government. We are consulting our Members of Parliament. Their suggestion will be kept in view. We agree that the interests of the rural people should be safeguarded. We will do that. But we have given the authority of appointment to the Central Government and not to the State Government. So far as the appointment of non-officials on the sponsored banks is concerned, we are directly appointing in consultation with the sponsored banks. Some Members have suggested that representation should be given to women and minorities I fully agree with the hon Members when they say that representation should be given to the minority people, to Scheduled Castes and Scheduled Tribes and also to women. They will be given representation.

SHRI VIRENDRA VERMA (Uttar Pradesh) And to backward classes.

THE MINISTER OF STATE IN THE DEPARTMENTS OF YOUTH AFFAIRS AND SPORTS AND WOMEN AND CHILD DEVELOPMENT IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRIMATI MARGARET ALVA)· Why do you put women last on the list? They should be first

SHRI JANARDHAN POOJARI: Another point made by the hon Members from both sides is that training should be given to employees. I fully agree with the hon Members that training should be given to the employees and they should be motivated Not only that They should be committed to the programmes and also to the welfare of the rural masses in order to uplift them. What is the performance of the Government? Out of 46,245 clerks and officers, we have trained 37,238 clerks and officers. We could not complete the entire lot But a substantial portion is covered—out of 46,245 about 37,238 are covered

Another point that has been made by the hon. Members is that we should put field officers in the Regional Rural Banks

[Shri Janardhan Poojari]

and that they should work in the rural areas. For the information of the hon. Members, I may say that we have appointed 9,121 field officers in 13,000 branches of the Regional Rural Banks and in 20 more Regional Rural Banks we are going to appoint the field officers soon Another point that has been made is that the weaker sections are not in a position to know the details of the programme, there is an element of corruption, they are not literate, they do not know the guidelines of the banking sector and, therefore, more publicity should be given, and they should be guided. I fully agree with the hon. Members that more publicity should be given. That should be the approach of the Government. People belonging to the weaker sections, particularly those living in tribal areas and interior places are not in a position to know what the programmes are that are available to them. Then what we have to do? We have to give advertisements in the papers. If you give the advertisements in the papers, they are also not in a position to read the papers. What is happening in the country? In one public meeting where the crowd was of 5,000 poor people, I asked, "how many of you read the papers?" Only 7 people raised their hands out of 5,000. So, what have to do for that purpose? We have to educate the people. For that purpose, we are collecting the people and in the credit camps we are explaining to the people about our programmes. We are explaining them "there should be no corruption, you people are in a position to get the loan, these are the security guidelines, this is the subsidy, you need not pay a single pie to any person, nobody should interfere, and this is done by the Government openly." So, like this we are educating them We are putting up stalls there and various economic activities are being displayed—some people are stitching, some people are preparing baskets, etc. In one credit camp I have seen an old lady filling up the ball-point ink with a small machine. All these activities are displayed and the weaker sections come and see that. For that we have to spend something. Some sections of the people criticised this saying that this amount is being spent for that For advertisements you have to spend lakhs of rupees. We have to collect people at one place using the transport. On one or two occasions, we have given some food, particularly to women. (*Interruptions*) It is said that the Government of Shri Rajiv Gandhi has given food to them. They have said why Mr Poojari is spending for this and that it is a waste. On one or two occasions, we have spent for them, for the poor people and not for the big people. In some places, in some banks, some bank people were spending in 5-star hotels saying that they are their valued customers and that they have to spend. They would spend Rs. 75,000 for 30 people or Rs. 1,00,000 for 40 people In some cases we received the complaint that they were provided with alcohol and this and that and everywhere we stopped that. On the other hand, these weaker sections are our valued customers. For them also we are spending The whole House will agree that for educating the people we have to spend.

With these words, Sir, I conclude. Thank you very much.

THE DEPUTY CHAIRMAN: Would the House like to sit through the lunch? We have a lot of business, at least for 8 more hours.

SHRI DIPEN GHOSH (West Bengal): Madam, we should have lunch break.

THE DEPUTY CHAIRMAN: So, we will pass this Bill and then go for lunch. It won't take much time.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. JACOB): The Finance Minister can also move the Direct Tax Laws (Amendment) Bill, 1987, before lunch.

THE DEPUTY CHAIRMAN: I will now put the motion The question is:

"That the Bill further to amend the Regional Rural Banks Act, 1976, as passed by the Lok Sabha, be taken into consideration"

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 6 are added to the Bill.

THE DEPUTY CHAIRMAN: Now we take up clause 7.

Clause 7—Amendment of Section 9

THE DEPUTY CHAIRMAN: There are two amendments by Shri Nirmal Chatterjee, Shri Mostafa Bin Quasem, Shri Sukomal Sen and Shri Dipen Ghosh.

SHRI SUKOMAL SEN (West Bengal) Madam, I move:

That at page 2,—

(i) line 30 the word "not" be *deleted.*

(ii) lines 31-32 the words "Sponsor Bank" be deleted

That at page 2, for lines 36 to 39 the following be substituted, namely:—

"(c) two directors, who are officers of the National Bank, to be nominated by the Bank;

(c) one director, who is a representative of the recognised trade union of the Bank, having the largest number of the Bank's personnel as its members, to be nominated by the concerned trade union; and

(dd) one director who is the President of the Zilla Parishad of the concerned district."

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN I shall now put clause 7 to vote The question is:

"That clause 7 stand part of the Bill"

The motion was adopted

Clause 7 was added to the Bill.

THE DEPUTY CHAIRMAN: Now we take up clause 8

Clause 8—Amendment of Section 11.

THE DEPUTY CHAIRMAN: There are five amendments, Nos. 3 to 6 by Shri Nirmal Chatterjee, Shri Mostafa Bin Quasem, Shri Sukomal Sen and Shri Dipen Ghosh and No. 12 by Shri J. P. Yadav Shri Yadav is not here

SHRI SUKOMAL SEN: Madam, I move·

That at page 3 line 4 for the words "The Sponsor Bank" the words "The National Bank" be substituted.

That at page 3 for lines 8 to 12 the following be substituted, namely.

(a) "if such an individual is an officer of the National Bank, except after consultation with the Central Government.

(b) To provide for one authority for all the Regional Rural Bank with whom the employees of Regional Rural Banks can negotiate."

That at page 3 for lines 17 to 25 the following be substituted, namely:—

"(a) The National Bank shall have the right to terminate the term of office of the Chairman at any time before the expiry of the period specified in sub-section(1):

Provided that no such termination shall be made if the Chairman is an officer of the National Bank, except after consultation with the Central Government."

That at page 3 for lines 32 to 35 the following be substituted, namely:—

"(b) the Chairman shall hold office during the pleasure of the Central Government"

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN: I shall now put clause 8 to vote.

The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Clauses 9 and 10 were added to the Bill.

Clause 11—Amendment of section 17

THE DEPUTY CHAIRMAN: There is an amendment by Shri Nirmal Chatterjee, Shri Mostafa Bin Quasem, Shri Sukomal Sen and Shri Dipen Ghosh.

SHRI SUKOMAL SEN: Madam, I move:

That at page 3, for lines 13-14 the following be substituted namely:—

"(b) for the first proviso, the following proviso shall be substituted, namely:—

'Provided that it shall be lawful for the National Rural Bank, if requested so to do by Regional Rural Bank, to send, during the first year of functioning of a Regional Rural Bank, such number of officers and other employees on deputation from the National Bank or from any other Regional Rural Bank to the Regional Rural Bank concerned as may be necessary or desirable for efficient performance of its functions.' "

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN: I shall now put clause 11 to vote. The question is:

"That clause 11 stand part of the Bill."

The motion was adopted.

Clause 11 was adopted to the Bill.

Clause 12 was added to the Bill.

Clause 13—Insertion of new Chapter VA.

THE DEPUTY CHAIRMAN: There is an amendment by Shri Nirmal Chatterjee, Shri Mostafa Bin Quasem, Shri Sukomal Sen and Shri Dipen Ghosh.

SHRI SUKOMAL SEN: Madam, I move

That at page 5 for lines 3 to 10 the following be substituted namely:—

"(a) the continuance in service of all the employees and officers of the transfer or Regional Rural Bank in the transferee Regional Rural Bank at the same remuneration and on the same terms and conditions of service, which they were getting or as they were being governed, immediately before the date on which the amalgamation takes effect without effecting the seniority of any employee or officer of the transferor Regional Rural Bank "

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN: I shall now put the clause to vote The question is:

"That clause 13 stand part of the Bill "

The motion was adopted.

Clause 13 was added to the Bill

Clause 14—Insertion of new section 24A

THE DEPUTY CHAIRMAN: There is an amendment by Shri Nirmal Chatterjeet, Shri Mostafa Bin Quasem, Shri Sukomal Sen and Shri Dipen Ghosh.

SHRI SUKOMAL SEN: Madam, I move:

That at page 6 for lines 27 to 33 the following be substituted, namely:—

"24A. Notwithstanding anything contained in section 19 and without prejudice to the provision of section 35 of the Banking Regulation Act, 1949, the National Bank shall from time to time, monitor the progress of the Regional Rural Banks and cause inspection, internal audit and scrutiny to be made by one or more of its officers, or by one or more officers taken on deputation from Regional Rural Banks to the National Bank, and suggest corrective measures to be taken by such Regional Rural Banks."

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN The question is:

"That Clause 14 stand part of the Bill."

The motion was adopted.

Clause 14 was added to the Bill.

Clause 15 was added to the Bill.

Clause 16—Amendment of section 29.

THE DEPUTY CHAIRMAN: Clause 16. There is one amendment No. 10 by Shri Sukomal Sen.

SHRI SUKOMAL SEN: I move

That at page 6 lines 40 to 42 be *deleted*

The question was put and the motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

"That Clause 16 stand part of the Bill."

The motin was adopted.

Clause 16 was added to the Bill.

Clause 17 was added to the Bill.

Clause 1 was added to the Bill.

The Enacting Formula and the Title were added to the Bill.

SHRI JANARDHAN POOJARI: I move

"That the Bill be passed"

The question was proposed.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): I had the privilege of being a Director of the Regional Rural Bank. On the basis of that, I would like to ask hon. Minister one or two points and seek clarification.

First point is, we have not heard anything from him whether the investment base of rural banks has been increased, and if it is increased, what is the quantum of increase. Secondly, as against the commercial banks where the Credit Deposit ratio is only 70 per cent or less, in the case of rural banks, it is 104 per cent. Will the hon Minister consider that these rural banks should be exempted from Statutory Reserve Ratio formula? If that is done, then they will have further finances The most important point is about the losses that they are suffering, because they have to give loans at a very low rate of interest; they have also to put in the statutory reserve which is eating into their vitals a adding to their losses. Will the hon Minister consider this aspect? Thirdly, with regard to location of rural banks, there is a tendency that if you have to have a branch, for instance, in Hyderabad district which extends to about 50 miles area, the branch is opened not deep into the district but at the outskirts of Hyderabad; same is the case

[Shri Ghulam Rasool Matto]

with Srinagar. This tendency is to be discouraged. The branch should be opened somewhere deep inside rather than at the fringe of the district. I find the same tendency in Srinagar and most of the regional rural banks are situated at the border of the district headquarters whereas it should be deeper inside. The hon. Minister, I hope, will look into it.

Fourth point is, I agree with him that it is not possible to equate the pay-scales of these bank employees with these of the nationalised banks because cooperative sectors and other banks will come in But when I was Director of a regional rural bank, the pay-scale of the officers was the same as for BDOs. Now, after the Fourth Pay Commission's report, this has been increased. Will the hon Minister consider and ask the tribunal, which he has mentioned, to consider that the next posting pay scales over and above the BDOs Pay scales or whatever the higher posting may be there, will be allowed to the officers and employees of these banks? I would like to have these clarifications from the hon Minister

SHRI PARVATHANENI UPENDRA (Andhra Pradesh): Madam Deputy Chairman, I have four or five points to make which I would like the hon. Minister to clarify The first one is, the Minister has not said anything in his reply about the suggestion that instead of having 28 sponsoring banks whether it would not be desirable to entrust the NABARD alone with the task. What are the difficulties in doing that so that some kind of uniformity can be achieved in the functioning of the regional rural banks?

My second point is, up to 1985, the expansion of the banking sector in the rural areas was exclusively reserved for the regional rural banks. But after that, commercial banks have been allowed to open their branches. They are not also doing that. In the process, the expansion of banking in the rural areas has suffered. Why has this been relaxed? Why this rule that only the regional rural banks will be allowed to go to the rural areas has been relaxed?

Thirdly, I am not convinced by the Minister's argument that because we want to keep the operations cheaper, we will starve the employees. If you take this argument, then in every sector, in order to make it a profitable and viable proposition, we will have to pay less. This is no argument at all. Whether a person gives a loan of Rs. one lakh or Rs. 1,000, the volume of work is almost the same. Why should there be discrimination between the employees of the commercial banks and the regional rural banks in regard to emoluments? Why can't we adopt a uniform pay-scale for these people? He mentioned about the State Government salaries. This is also not being done. Whenever the State Government employees get pay rise, I am told, the employees of the regional rural banks are not getting any pay rise. There should be a corresponding increase in the emoluments of the employees of the regional rural banks whenever the pay-scales of the State Government employees are increased. This should be looked into. In the same State even, there is no uniformity in the emoluments of the employees in different banks.

My next point is, officers from the commercial banks are being deputed even for ten years. I would like to know whether there is any proposal to set up a separate cadre of officers in the case of the regional rural banks so that they can have promotional opportunities within this set-up

Then, Madam, there is no forum for negotiation. It has been said that State-level bodies have been set up. They are non-functional. They are not functioning. Therefore, you must have an effective negotiating machinery for the employees so that they can bring their grievances to the notice of the management for redressal.

My last point is, you have amended the Act to expand the Board of Directors, providing for more representation to non-officials etc. You should have thought of giving representation to the employees also. I would have been more desirable. I would like the hon. Minister to clarify these four or five points I have made.

SHRI JANARDHAN POOJARI: Madam, the question has been raised about the share capital That is why we have come up with an amendment. The issued capital is being raised from Rs. 25 lakhs to Rs. one crore and the authorised capital from Rs. one crore to Rs. five crores.

In regard to the emoluments of the officers and other amenities, we have set up this National Industrial Tribunal which will look into this aspect. We will keep in mind the other suggestions of the hon Member.

Mr. Upendra has made some suggestions, They are very informative and educative. We will keep them in mind He talked of discrimination. As I said, there is no discrimination. It s a statutory provision It was provided for while enacting the law. Now, Madam, the theory of discrimination is made by the employees The employees of co-operative societies and co-operative banks are also doing the same work. Tomorrow, they will also put forward the same argument. They will say that they should also be given. The State Governments are looking after the co-operative societies and the co-operative banks. The point I have made is, what type of work is being done. This is also to be considered. The functioning of the commercial banks and the regional rural banks are quite different Anyway, National Industrial Tribunal is going to look into this, but they have to function within the parameters of the Act.

Coming to the licensing of the branches in the rural areas, It is not true that commercial banks are forbidden from going to the rural areas. Commercial banks come to rural areas also. That is why in the beginning itself made the point that the regional rural branches and the commercial banks should function side by side

SHRI PARVATHANENI UPENDRA: My question is, up to 1985 you had reserved the expansion for RRBs.

SHRI JANARDHAN POOJARI: We want to give priority to regional rural banks, but that does not mean that we have prohibited commercial banks Licences were given to commercial banks in rural areas also.

Madam, I have answered some of the points of the hon. Members. Some useful suggestions have been made by Shri Matte and Shri Upendra. I will keep them in mind.

THE DEPUTY CHAIRMAN: I move:

"That the Bill be passed."

The motion was adopted.

THE DEPUTY CHAIRMAN: Before we adjourn, we can allow the Minister for Finance to move this Direct Tax Laws (Amendment) Bill

SHRI DIPEN GHOSH: On a point of order.

First of all, you assured us that as soon as this Bill was passed, the House will break for lunch The point is, we have serious points to make before the Bill is introduced.

We do not object to the Bill being taken up after the lunch-break is over. Let the Finance Minister pilot the Bill after the lunch-break.

THE DEPUTY CHAIRMAN: All right. Now the House stands adjourned to meet again at 2.30 P.M

The House then adjourned for lunch at forty-seven minutes past one of the clock.

The House reassembled after lunch at half past two of the clock, **The Deputy Chairman** in the Chair.

THE DIRECT TAX LAWS (AMENDMENT) BILL, 1987.

THE DEPUTY CHAIRMAN. The Direct Tax Laws (Amendment) Bill 1987. Shri Narayan Datt Tiwari

SHRI DIPEN GHOSH (West Bengal): Madam Deputy Chairman, I have a point of order.